

DCMA

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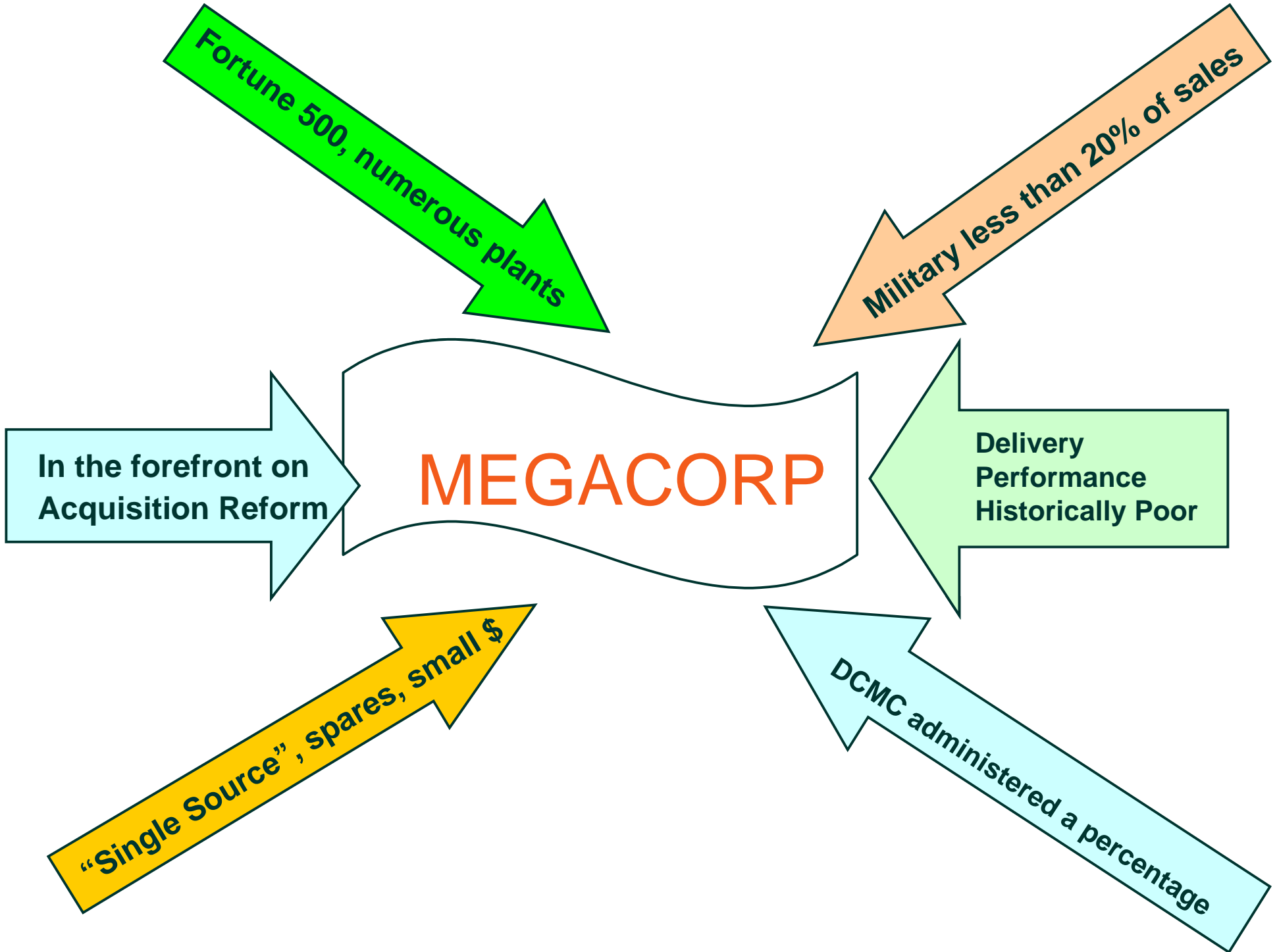
DPAS

A CASE STUDY

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BACKGROUND

- ★ **Historically, we responded to DPAS actions, on request only**
- ★ **We began to note that many “problem” contractors were in non-compliance**
- ★ **In ‘92, we began to systematically identify and work with these companies on DPAS**



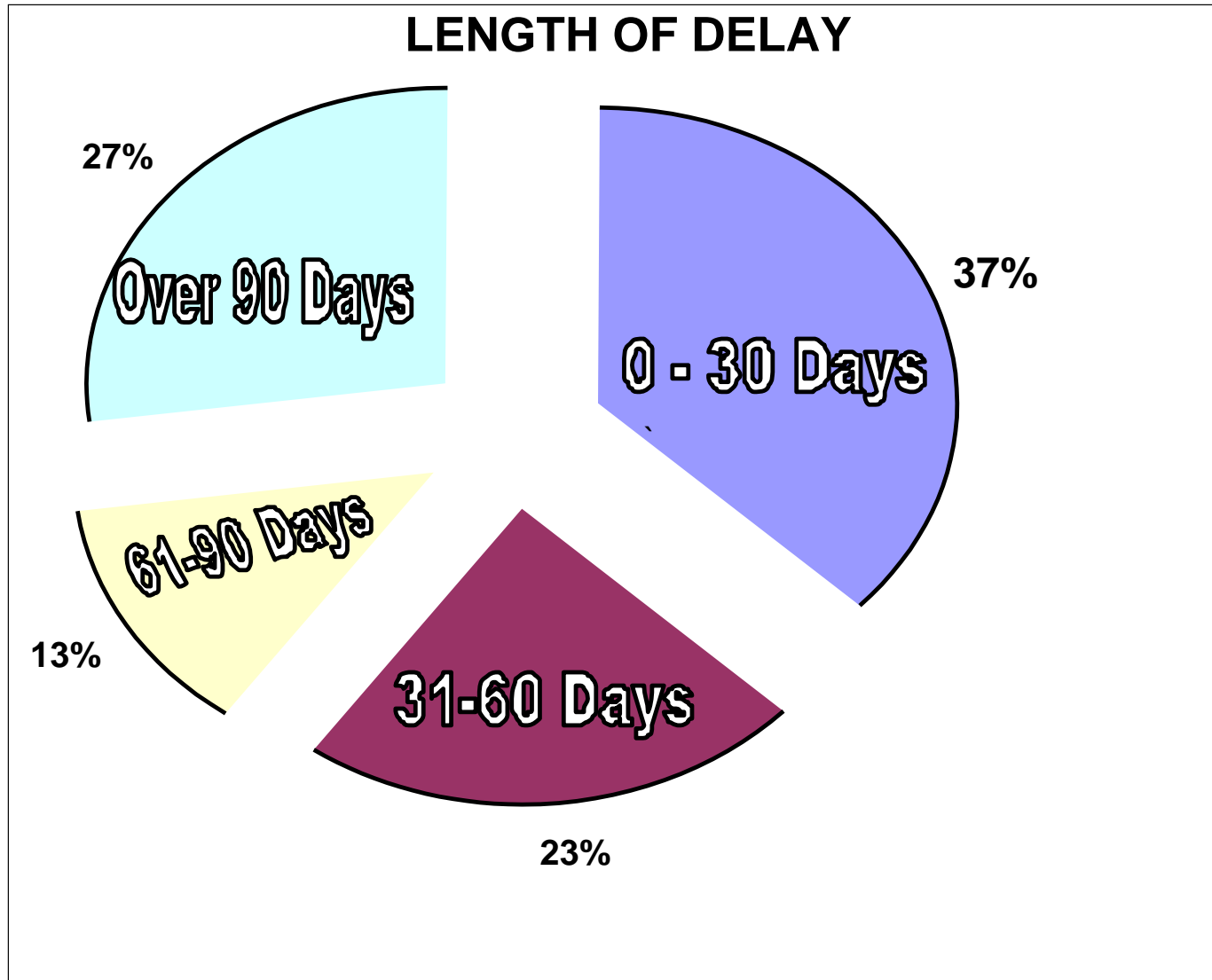
MEGACORP - 1999

- ◆ **Mergers and reorganization led to consolidation of contracts**
- ◆ **Now the “high bar” on Performance charts**
- ◆ **Nine Corrective Actions Requests for poor performance**
- ◆ **DPAS cited in each; never addressed**

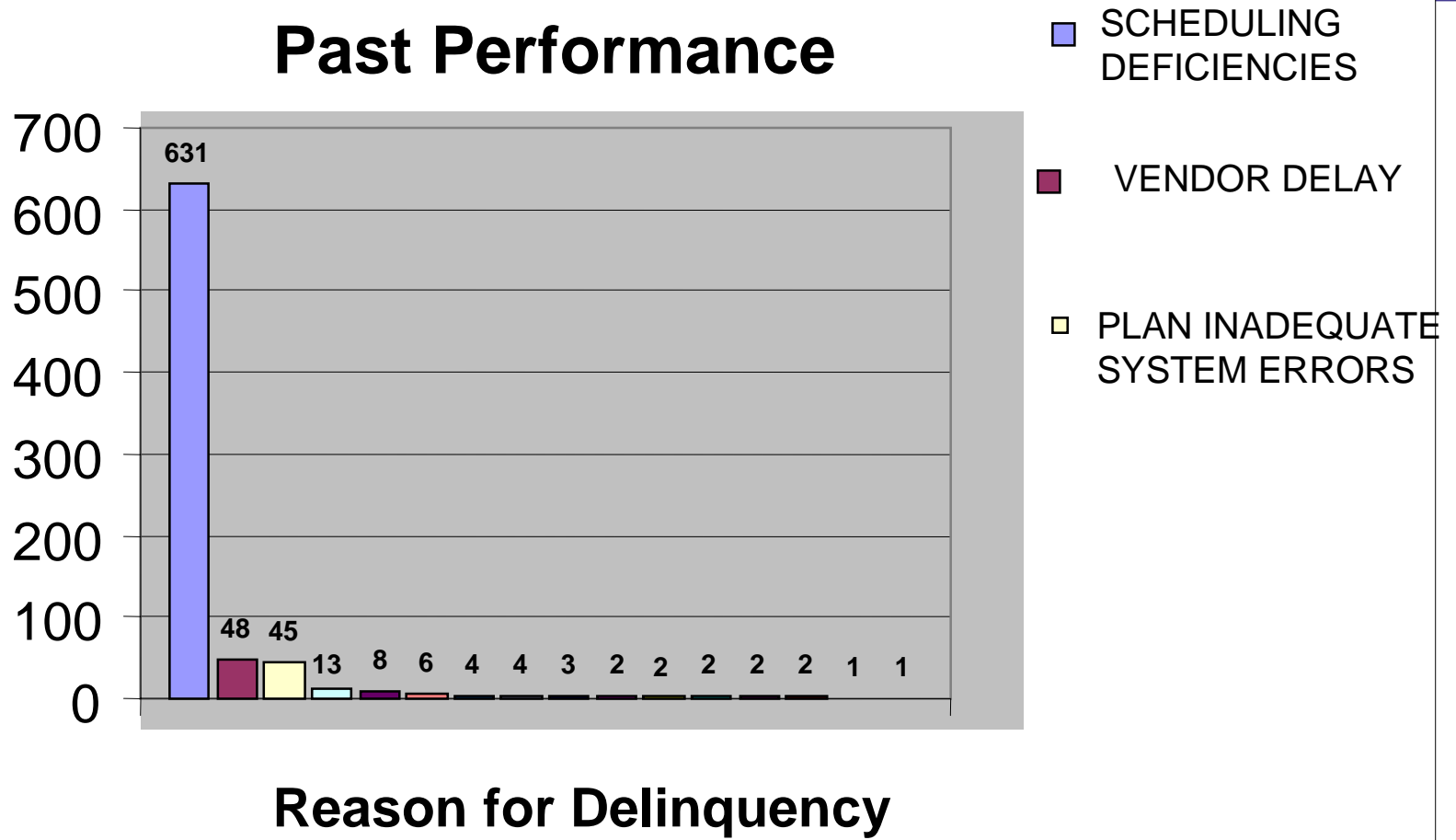
PAST PERFORMANCE DATA

- 3,048 RATED ORDERS COMPLETED
- 793 CONTRACTOR-CAUSED
- TOTAL DELINQUENCY RATE = 26%





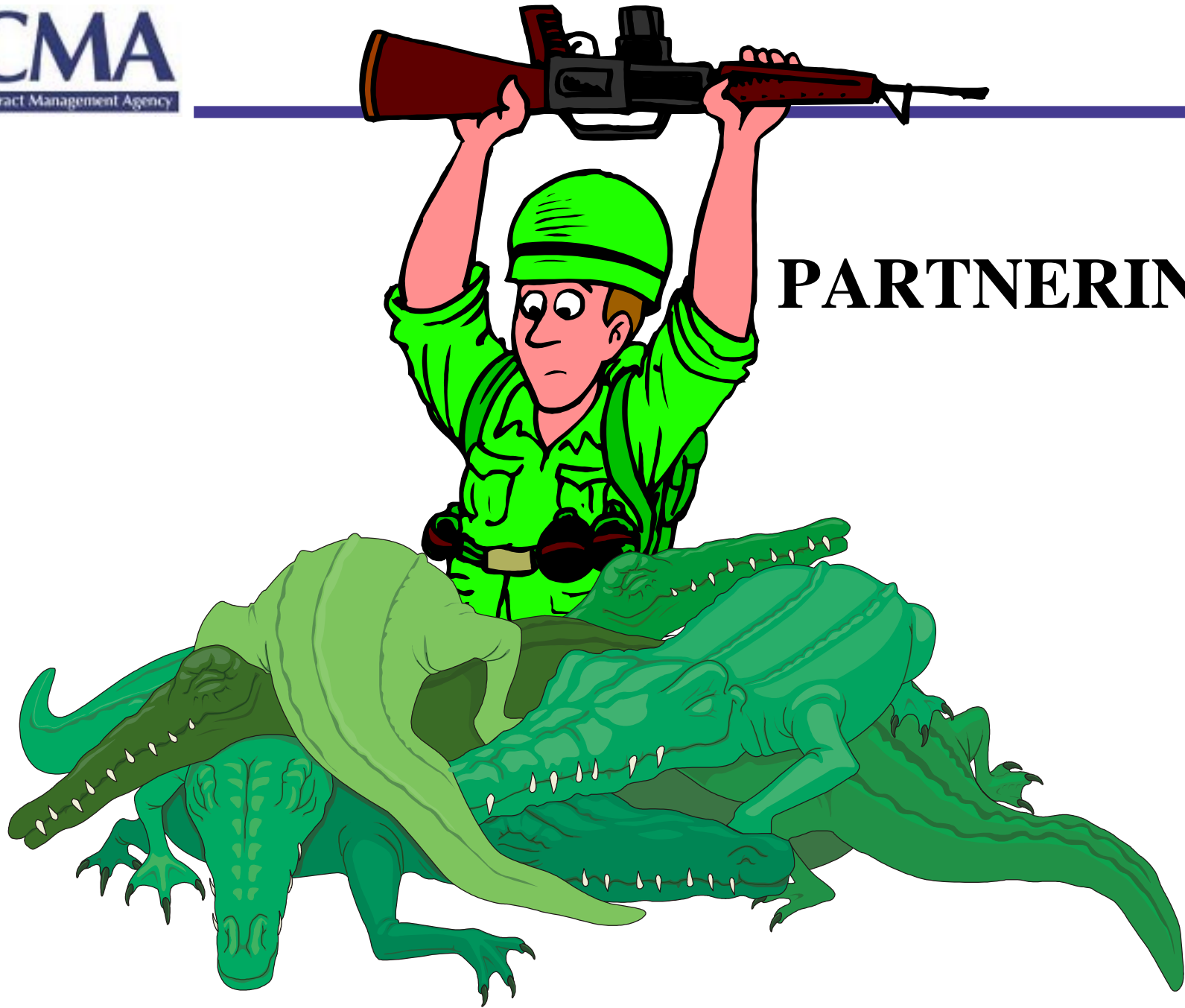
Past Performance



STRATEGY

- ❖ Letter of “Non-Compliance”
- ❖ Corrective Action Request
- ❖ Teaming Approach
- ❖ Phased Escalation

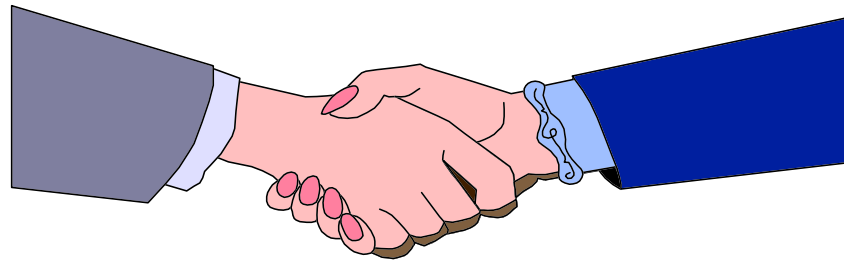




PARTNERING?

DPAS OBJECTIVES

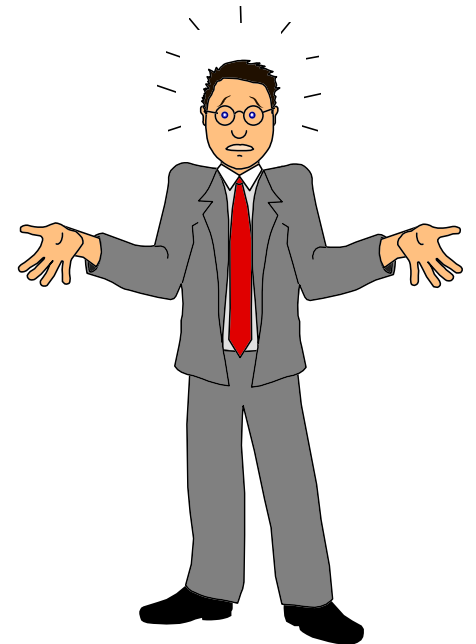
- **WARTIME:** Provide a framework for Rapid Industrial Response in a National Emergency



- **We gave them an award in August**

DPAS OBJECTIVES

- ◆ **PEACETIME: Assure timely availability of Industrial Resources to meet current approved program requirements**
- ◆ **We gave them a CAR in September**



THE FIRST RESPONSE

- ❖ **“Many orders we receive are un-rated, and shouldn’t count”**
- ❖ **Total un-rated was 144, (less than 5%:)**
- ❖ **Performance was 10% BETTER..!?**

DPAS ISSUE #1

- ❖ **Immediate notification to the customer**
- ❖ **According to Megacorp - “Notification is when DCMC asks why is this a month late, we research and respond.”**

DPAS ISSUE #2

- ❖ **“We knew the schedule was unrealistic, but the Government made us do it”**
- ❖ **Mandatory Rejection - DPAS
(and ISO Requirement)**

DPAS ISSUE #3

- ★ **Prioritization of Rated over Non-Rated orders**
- ★ **Overall performance on commercial work averaged 95-98% “on-time”**
- ★ **Military work was less than 75%**

DPAS ISSUE #4

- ❖ **Mandatory Extension of the rating**
- ❖ **Less than \$50 K, no flow down policy**

DPAS ISSUE #5

- ❖ **Elements of a rated order**
- ❖ **Certification statement difficult to locate**
 - **No evidence that vendors were aware of DPAS requirements**
 - **DPAS not part of the vendor approval review**

DPAS ISSUE #6

- ❖ **Prioritization of Rated Orders**
- ❖ **Routinely expedited contracts ahead of other already delinquent orders**
“Customer Satisfaction”
- ❖ **One line was reprioritized 5X in one day**

UNIVERSAL NEEDS

- ★ **Misunderstandings or lack of knowledge about the DPAS at every facility visited**
- ★ **Virtually the same found among those tasked with oversight functions**
- ★ **Similar situation on the Government Customer side**

Remarks from the audiences:

- **“DPAS takes effect only in time of War”**

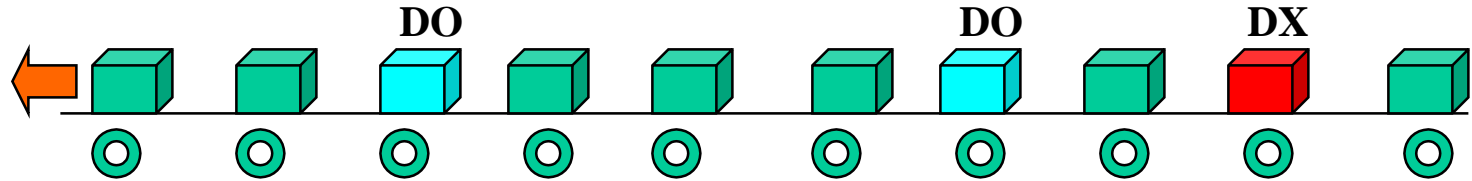
- **“DPAS comes into play after the contract becomes delinquent”**

- **“DO-A1 takes priority over DO-A2, DO-A3, etc.”**

- **“DPAS is a FAR clause, it’s negotiable.”**

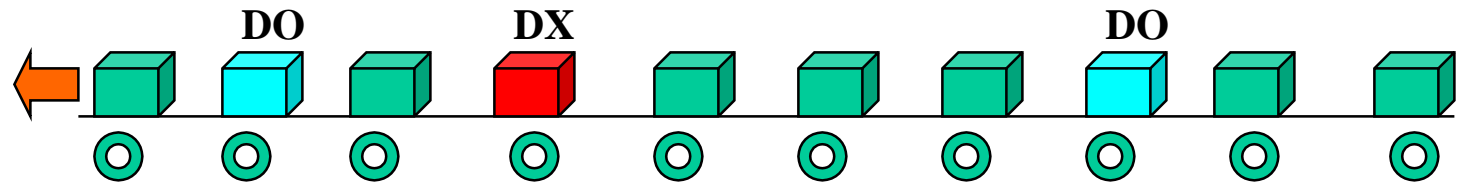
- **“When you receive a DX order, you **MUST** move it to the front of the line, automatically”**

If no conflicts



PRIORITY SCHEDULING

Conflicts exist



COMMUNICATIONS PROBLEMS

➤ ***MEGACORP***

- Contract Personnel failing to coordinate bids with production personnel
- Production not reporting delays to Contract Personnel

➤ ***Government***

- Item Managers not coordinating with Contract Officers
- Contract Officers not coordinating with DCMC

METRIC DISPARITY

- ❁ **MEGACORP METRIC**
 - Delinquent Dollars
 - Highlighted Continuous Improvement

- ❁ **DCMC METRIC**
 - Delinquent Contracts
 - Highlighted Increasing Problems

STATUS

- ★ We made our point
- ★ We are making real progress.. A real change, for a change!
- ★ The short term goal of 10% delinquency
- ★ The long term goal: as good as, or better than any other “commercial” customer.

LESSONS LEARNED

- ★ **Emphasis on DPAS Needed at All Levels, Within Government and Supplier Chain**
- ★ **Delinquency Problems May Be an Indicator of DPAS Problems**
- ★ **DPAS Can Be a Tool to Resolve Problems**
- ★ **Contractors Basically Agree With the Intent of the DPAS**

QUESTIONS???